

148 FERC ¶ 61,154
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;
Philip D. Moeller, Tony Clark,
and Norman C. Bay.

PJM Interconnection, L.L.C.

Docket No. ER14-2398-000

ORDER GRANTING WAIVER

(Issued September 9, 2014)

1. On July 10, 2014, pursuant to section 207(a)(5) of the Commission's Rules of Practice and Procedure,¹ PJM Interconnection, L.L.C. (PJM) requested a waiver of certain provisions of Section 5 of Schedule 6A (Black Start Provisions) of the PJM Open Access Transmission Tariff (OATT).² Specifically, PJM seeks a waiver of the one-year notice of termination requirement under PJM's Black Start Provisions, in order to terminate the provision of Black Start Service from East Kentucky Power Cooperative Inc.'s (EKPC) Unit B. As discussed below, we find good cause to grant the requested waiver.

I. Background

2. Black Start Service³ helps to ensure the reliable restoration of operations following a shutdown of the PJM transmission system. Schedule 6A of the PJM OATT governs the provisions of and compensation for Black Start Service. Those provisions also state that the PJM Manuals govern the selection and criteria for identifying necessary Black Start

¹ 18 C.F.R. § 385.207(a)(5) (2014).

² PJM Interconnection, L.L.C., Intra-PJM Tariffs, [OATT SCHEDULE 6A, OATT SCHEDULE 6A, 7.0.0](#). (Black Start Provisions).

³ The PJM OATT states "Black Start Service enables the transmission providers to designate specific generators called Black Start Units whose location and capabilities are required to re-energize the transmission system following a system-wide blackout."

Units. Under PJM Manual 36, PJM is responsible for selecting which resources will be used in its System Restoration Plan.⁴

3. According to PJM, EKPC currently owns two 73 MW natural gas-fired Black Start Units,⁵ Unit A and Unit B, which are interconnected on the same 138 kV bus. PJM asserts that having both units on the same bus presents a reliability concern because, in the event the 138 kV bus experiences an outage, neither Unit A nor Unit B would be capable of restarting the system.⁶

4. PJM explains that EKPC also owns another 73 MW natural gas-fired, Unit C, which EKPC intends to upgrade to become black start capable so that it can be used in place of Unit B for Black Start Service. PJM states Unit C is interconnected on a different bus than Units A and B, which will resolve the reliability concern.⁷ PJM also explains that for the purposes of Black Start Service, Unit B and Unit C are perfectly substitutable. PJM states it will only require two Black Start Units in the area Units A, B and C are located to meet PJM's System Restoration Plan. Therefore, PJM would like to terminate Unit B from its System Restoration Plan as soon as Unit C is capable of providing black start service, which is anticipated to be in August or September 2014.⁸

5. PJM further explains that, according to the Black Start Provisions, PJM is limited in its ability to terminate Unit B from its System Restoration Plan, due to the one-year advance notice to terminate provision. PJM states that the one-year advance notice provision was put in place to ensure that PJM would not be without Black Start Service at a given location through the sudden retirement of a unit. PJM asserts that the provision is not applicable in the instant case because EKPC is merely substituting one Black Start Unit for another comparable unit, rather than terminating provision of Black Start Service.⁹ PJM, therefore, requests limited waiver of the one-year advance notice

⁴ PJM Manual 36, System Restoration, *see* <http://www.pjm.com/~media/documents/manuals/m36.ashx>

⁵ The PJM OATT defines a "Black Start Unit" as a generating unit that has equipment enabling it to start without an outside electrical supply or a generating unit with a high operating factor (subject to Transmission Provider concurrence) with the demonstrated ability to automatically remain operating, at reduced levels, when disconnected from the grid. PJM OATT, Schedule 6A, Paragraph 2.

⁶ PJM Transmittal at 2.

⁷ PJM Transmittal at 2.

⁸ PJM Transmittal at 4.

⁹ PJM Transmittal at 3.

requirements set forth in the Black Start Provisions, in order to terminate Unit B's Black Start Service Requirements.

6. PJM asserts that good cause exists for the Commission to grant its request for limited waiver of the Black Start Provisions.¹⁰ PJM states that the requested waiver is limited in scope in that it would apply only to this one-time termination of Black Start Service of Unit B. PJM also states that the waiver will remedy a concrete problem in that PJM would avoid the inefficient and costly expense of compensating three Black Start Units when it only requires two Black Start Units. Moreover, PJM asserts that the waiver will not have undesirable consequences and will help ensure reliability to the transmission system. Finally, PJM states EKPC supports the request for early termination.

7. PJM requests that the Commission issue an order granting the relief requested no later than September 9, 2014. PJM anticipates terminating Black Start Service from Unit B on September 9, 2014 or the date on which Unit C is capable of providing Black Start Service, whichever is later.

II. Notice of Filing and Responsive Pleadings

8. Notice of PJM's July 10, 2014, filing was published in the *Federal Register*, 79 Fed. Reg. 42,003 (2014), with protests and interventions due on or before July 31, 2014. No comments were filed in this proceeding.

III. Discussion

9. We find good cause to grant PJM a waiver of the one-year advance notice requirement under the Black Start Provisions. Although not the only basis for granting tariff waivers, the Commission has previously granted requests for waiver of tariffs in situations where, as relevant here: (1) the waiver is of limited scope; (2) the waiver would address a concrete problem; (3) the waiver does not have undesirable consequences, such as harming third parties.¹¹

¹⁰ PJM Transmittal at 3-5.

¹¹ See, e.g., *New York Independent System Operator, Inc.*, 144 FERC ¶ 61,147, at P 8 (2013); *New York Independent System Operator, Inc.*, 139 FERC ¶ 61,108, at P 14 (2012); *PJM Interconnection, L.L.C.*, 137 FERC ¶ 61,184, at P 13 (2011); *ISO New England Inc.*, 134 FERC ¶ 61,182, at P 8 (2011); *California Independent System Operator Corp.*, 132 FERC ¶ 61,004, at P 10 (2010). The Commission notes that there can be a fourth factor appropriate for consideration, which is that "the underlying error was made in good faith." However, this factor is not applicable here since there is no error involved, and so we need not consider it in our analysis of PJM's waiver request.

10. Here, we find that, first, the waiver is of limited scope, as the waiver will apply only to EKPC's Unit B. The waiver will not apply to any other PJM Black Start Units nor will it apply to any other transmission zone other than the transmission zone at issue in this proceeding.

11. Second, the waiver remedies a concrete problem. As stated by PJM, the fact that Unit B and Unit A are located on the same bus creates a reliability concern because in the event the 138 kV bus experiences an outage, neither Unit A nor Unit B would be capable of restarting the system. Thus, substituting Unit B with Unit C, once upgraded to be black start capable, on a different bus will resolve the reliability concern. Therefore, waiver of the one-year notice requirement in the Black Start Provisions will allow PJM to terminate Black Start Service from EKPC's Unit B and would, thus, avoid the inefficient and costly expense of compensating three Black Start Units when it only requires two Black Start Units.

12. Third, we find that granting the waiver will not have undesirable consequences, such as harming third parties. Granting the waiver will assist with maintaining the reliability of the PJM transmission system and help to ensure that PJM maintains an appropriate level of Black Start Service under its System Restoration Plan, while not compensating a unit that will no longer be needed for the provision of Black Start Service.

The Commission orders:

PJM's request for waiver of the one-year notice requirement of the Black Start Provisions is hereby granted for EKPC's Unit B, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.